

1 of in the course of such business in this State. Of the
2 additional tax imposed by this amendatory Act of 1985,
3 \$9,000,000 of the moneys received by the Department of
4 Revenue pursuant to this Act shall be paid each month into
5 the Common School Fund. On and after the effective date of
6 this amendatory Act of 1989, in addition to any other tax
7 imposed by this Act, a tax is imposed upon any person engaged
8 in business as a retailer of cigarettes at the rate of 5
9 mills per cigarette sold or otherwise disposed of in the
10 course of such business in this State. On and after the
11 effective date of this amendatory Act of 1993, in addition to
12 any other tax imposed by this Act, a tax is imposed upon any
13 person engaged in business as a retailer of cigarettes at the
14 rate of 7 mills per cigarette sold or otherwise disposed of
15 in the course of such business in this State. On and after
16 December 15, 1997, in addition to any other tax imposed by
17 this Act, a tax is imposed upon any person engaged in
18 business as a retailer of cigarettes at the rate of 7 mills
19 per cigarette sold or otherwise disposed of in the course of
20 such business of this State. All of the moneys received by
21 the Department of Revenue pursuant to this Act and the
22 Cigarette Use Tax Act from the additional taxes imposed by
23 this amendatory Act of 1997, shall be paid each month into
24 the Common School Fund. On and after July 1, 2002, in
25 addition to any other tax imposed by this Act, a tax is
26 imposed upon any person engaged in business as a retailer of
27 cigarettes at the rate of 20.0 mills per cigarette sold or
28 otherwise disposed of in the course of such business in this
29 State. The payment of such taxes shall be evidenced by a
30 stamp affixed to each original package of cigarettes, or an
31 authorized substitute for such stamp imprinted on each
32 original package of such cigarettes underneath the sealed
33 transparent outside wrapper of such original package, as
34 hereinafter provided. However, such taxes are not imposed

1 upon any activity in such business in interstate commerce or
2 otherwise, which activity may not under the Constitution and
3 statutes of the United States be made the subject of taxation
4 by this State.

5 Beginning on the effective date of this amendatory Act of
6 the 92nd General Assembly, all of the moneys received by the
7 Department of Revenue pursuant to this Act and the Cigarette
8 Use Tax Act, other than the moneys that are dedicated to the
9 Metropolitan Fair and Exposition Authority Reconstruction
10 Fund and the Common School Fund, shall be distributed each
11 month as follows: first, there shall be paid into the General
12 Revenue Fund an amount which, when added to the amount paid
13 into the Common School Fund for that month, equals
14 \$33,300,000, except that, for the months of December 2003
15 through June 2004 there shall be paid into the General
16 Revenue Fund an amount that, when added to the amount paid
17 into the Common School Fund for that month, equals
18 \$40,143,000; then, from the moneys remaining, if any amounts
19 required to be paid into the General Revenue Fund in previous
20 months remain unpaid, those amounts shall be paid into the
21 General Revenue Fund; then, beginning on April 1, 2003, from
22 the moneys remaining, \$5,000,000 per month shall be paid into
23 the School Infrastructure Fund; then, if any amounts required
24 to be paid into the School Infrastructure Fund in previous
25 months remain unpaid, those amounts shall be paid into the
26 School Infrastructure Fund; then the moneys remaining, if
27 any, shall be paid into the Long-Term Care Provider Fund. To
28 the extent that more than \$25,000,000 has been paid into the
29 General Revenue Fund and Common School Fund per month for the
30 period of July 1, 1993 through the effective date of this
31 amendatory Act of 1994 from combined receipts of the
32 Cigarette Tax Act and the Cigarette Use Tax Act,
33 notwithstanding the distribution provided in this Section,
34 the Department of Revenue is hereby directed to adjust the

1 distribution provided in this Section to increase the next
2 monthly payments to the Long Term Care Provider Fund by the
3 amount paid to the General Revenue Fund and Common School
4 Fund in excess of \$25,000,000 per month and to decrease the
5 next monthly payments to the General Revenue Fund and Common
6 School Fund by that same excess amount.

7 When any tax imposed herein terminates or has terminated,
8 distributors who have bought stamps while such tax was in
9 effect and who therefore paid such tax, but who can show, to
10 the Department's satisfaction, that they sold the cigarettes
11 to which they affixed such stamps after such tax had
12 terminated and did not recover the tax or its equivalent from
13 purchasers, shall be allowed by the Department to take credit
14 for such absorbed tax against subsequent tax stamp purchases
15 from the Department by such distributor.

16 The impact of the tax levied by this Act is imposed upon
17 the retailer and shall be prepaid or pre-collected by the
18 distributor for the purpose of convenience and facility only,
19 and the amount of the tax shall be added to the price of the
20 cigarettes sold by such distributor. Collection of the tax
21 shall be evidenced by a stamp or stamps affixed to each
22 original package of cigarettes, as hereinafter provided.

23 Each distributor shall collect the tax from the retailer
24 at or before the time of the sale, shall affix the stamps as
25 hereinafter required, and shall remit the tax collected from
26 retailers to the Department, as hereinafter provided. Any
27 distributor who fails to properly collect and pay the tax
28 imposed by this Act shall be liable for the tax. Any
29 distributor having cigarettes to which stamps have been
30 affixed in his possession for sale on the effective date of
31 this amendatory Act of 1989 shall not be required to pay the
32 additional tax imposed by this amendatory Act of 1989 on such
33 stamped cigarettes. Any distributor having cigarettes to
34 which stamps have been affixed in his or her possession for

1 sale at 12:01 a.m. on the effective date of this amendatory
2 Act of 1993, is required to pay the additional tax imposed by
3 this amendatory Act of 1993 on such stamped cigarettes. This
4 payment, less the discount provided in subsection (b), shall
5 be due when the distributor first makes a purchase of
6 cigarette tax stamps after the effective date of this
7 amendatory Act of 1993, or on the first due date of a return
8 under this Act after the effective date of this amendatory
9 Act of 1993, whichever occurs first. Any distributor having
10 cigarettes to which stamps have been affixed in his
11 possession for sale on December 15, 1997 shall not be
12 required to pay the additional tax imposed by this amendatory
13 Act of 1997 on such stamped cigarettes.

14 Any distributor having cigarettes to which stamps have
15 been affixed in his or her possession for sale on July 1,
16 2002 shall not be required to pay the additional tax imposed
17 by this amendatory Act of the 92nd General Assembly on those
18 stamped cigarettes.

19 The amount of the Cigarette Tax imposed by this Act shall
20 be separately stated, apart from the price of the goods, by
21 both distributors and retailers, in all advertisements, bills
22 and sales invoices.

23 (b) The distributor shall be required to collect the
24 taxes provided under paragraph (a) hereof, and, to cover the
25 costs of such collection, shall be allowed a discount during
26 any year commencing July 1st and ending the following June
27 30th in accordance with the schedule set out hereinbelow,
28 which discount shall be allowed at the time of purchase of
29 the stamps when purchase is required by this Act, or at the
30 time when the tax is remitted to the Department without the
31 purchase of stamps from the Department when that method of
32 paying the tax is required or authorized by this Act. Prior
33 to December 1, 1985, a discount equal to 1 2/3% of the amount
34 of the tax up to and including the first \$700,000 paid

1 hereunder by such distributor to the Department during any
2 such year; 1 1/3% of the next \$700,000 of tax or any part
3 thereof, paid hereunder by such distributor to the Department
4 during any such year; 1% of the next \$700,000 of tax, or any
5 part thereof, paid hereunder by such distributor to the
6 Department during any such year, and 2/3 of 1% of the amount
7 of any additional tax paid hereunder by such distributor to
8 the Department during any such year shall apply. On and after
9 December 1, 1985, a discount equal to 1.75% of the amount of
10 the tax payable under this Act up to and including the first
11 \$3,000,000 paid hereunder by such distributor to the
12 Department during any such year and 1.5% of the amount of any
13 additional tax paid hereunder by such distributor to the
14 Department during any such year shall apply.

15 Two or more distributors that use a common means of
16 affixing revenue tax stamps or that are owned or controlled
17 by the same interests shall be treated as a single
18 distributor for the purpose of computing the discount.

19 (c) The taxes herein imposed are in addition to all
20 other occupation or privilege taxes imposed by the State of
21 Illinois, or by any political subdivision thereof, or by any
22 municipal corporation.

23 (Source: P.A. 92-536, eff. 6-6-02.)

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."